FUTURES

Two weeks ended May 28, 1982

	High	Low	Close	Previous Week	Open* Interest	Contract High	Contract Low
LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft.							
July	146.40	134.50	142.80	140.90	3,174	224.50	132.30
Sept.	154.90	145.00	152.40	151.00	1,794	229.50	142.80
Nov.	158.80	149.00	156.30	154.00	854	224.50	146.00
Jan. '83	167.00	157.20	163.20	161.90	390	205.50	153.20
March	172.10	165.50	170.00	169.30	111	209.80	164.00
May	178.40	170.80	175.50	175.00	130	202.00	170.00
July	184.50	178.10	183.00	182.10	139	201.00	176.30
PLYWOOD (CBT)—76,032 sq. ft. ½-in. Western ext. 4/5-ply; $ per 1,000 sq. ft.							
July	171.60	165.30	167.80	169.70	1,447	219.00	156.20
Sept.	176.20	170.30	172.70	174.60	651	224.50	160.80
Nov.	180.00	174.50	176.50	178.80	323	226.50	165.00
Jan. '83	184.50	178.30	180.30	183.50	170	218.60	168.00
March	189.30	184.50	186.00	188.50	29	196.30	174.00
May	193.80	191.00	191.00	—	2	194.20	191.00

Total Contract Vol. (Through 5/28): 17,863 — **Previous Two Weeks: 22,301**
Total Open Interest (As of 5/27): 6,626 — **Previous Week: 6,716**
Cash Price: $139.16 — **Previous Week: $129.36** — **Year Ago: $161.70**

Total Contract Vol. (Through 5/28): 3,446 — **Previous Two Weeks: 3,953**
Total Open Interest (As of 5/27): 2,622 — **Previous Week: 2,552**
Cash Price: $172.48 — **Previous Week: $169.54** — **Year Ago: $201.88**

COMMODITY RESEARCH BUREAU INDEX:	This Week	Previous Week	Year Ago
	244.9	250.8	287.4

CME—Chicago Mercantile Exchange — CBT—Chicago Board of Trade
*Figures for Thursday, May 27.
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

LUMBER REPORT

Prospect of Federal help splits the forest industry

By Kenneth Schept
NHCN senior editor

The forest products industry has been the scene of controversy in recent weeks as trade groups met to discuss housing legislation, timber contracts, import tariffs and transportation costs.

Schept

These issues, which drew the attention of the National Lumber and Building Materials Dealers Assn., the National Forest Products Assn., the North American Wholesale Lumber Assn. and the National Assn. of Home Builders, may eventually impact DIY retailers since their resolution could affect lumber prices and the level of business.

While the differing viewpoints are usually based on narrow self-interest, advocacy or opposition to housing bailout legislation seems to depend on whether one's conservatism is fundamental or practical.

For example, Buddy Klumb, of Klumb Lumber, Biloxi, Miss., a Gulf-area wholesaler, is a customer of Billy Stimpson, a Mobile, Ala., lumber producer. While Klumb, an active NAWLA and NFPA member, opposes bailout legislation for housing, Stimpson, NFPA president, supports the Lugar bill.

Stimpson confronted waivering support for the Lugar bill among the NFPA's staunchest conservatives by noting, "We actively fought for Lugar as the lesser of evils. If we change now we'll seem like the biggest jackasses in the industry."

Both Klumb and Stimpson live fairly near Pascagoula, Miss., home of Trent Lott, the Congressman who expressed his support for housing legislation at NLBMDA and NFPA meetings. He told the latter group that growing conservatism in Congress can be traced to the development of industry political action committees, since before PAC's, "Congress was bought and paid for by labor and liberal organizations."

Conservative leaders of the forest products industry, believing they helped bring America to its senses, are uneasy with what seem to them profligate Democratic solutions to their problems.

The Lugar bill was accepted out of national desperation and with careful crafting. As Sen. Richard Lugar (R-Ind.) told the NAHB, his bill is "a careful rifle shot that does not do harm to budget plans." It is not, he said, the edge of the wedge that would force open the assistance gates to all interest groups.

Where the impact of a problem is more localized, like the effort to pass legislation forgiving certain timber contracts on Federal land, support is less than unanimous. Such contract relief legislation would essentially help harvesters in the Northwest, who are being hurt by the slack in demand for timber they purchased at high prices.

Another perspective

Southern producers are wary, since they could conceivably be hurt if a bill resulted in more Western lumber on the market, competitively priced with Southern wood. Unlike the Northwest, most of the forest land in the South is privately owned, so such a bill would have little direct positive impact.

A spokesman for NAWLA expressed little sympathy with the Northwest's plight. Everyone was making money during good times, he said. Those relying on public land bid up prices relying on inflation to make their profit. "Disinflation is killing them now," he said.

Voices disagreement

The wholesaler group also opposes an effort to establish import tariffs on Canadian timber. Supporters, who seem to be headed by a Eugene, Ore., group called the Western Resource Alliance, will try to persuade the International Trade Commission to level import duties that will bring United States and Canadian wood closer to parity in price.

NAWLA, which now has a Canadian president, sees North America as borderless when it comes to the lumber business. While Southern businesses might also seem less likely to support trade tariffs, advocates point out that 50% of the lumber sold in Georgia is Canadian.

Tariffs are also not favored by industry giants, like Weyerhaeuser, that do substantial international business.

However, NAWLA is critical of a Canadian advantage that its spokesman says developed from railroad deregulation, allowing a particular line to offer special, secret rates to businesses from north of the border.

The wholesalers also say they are tired of carrying the inventory burden for retailers, with today's high interest rates. While NAWLA's solution may draw some fire from retailers, it does not require controversial Government help. NAWLA recommends contracts between wholesalers and retailers on future deliveries with the future pricing a sweetener.

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SALES & EARNINGS

Company	Period Ended	Current Sales*	Year-Ago Sales*	% Change	Current Earnings*	Year-Ago Earnings*	% Change
Lowe's	4/30-1st qtr.	$214,760	$218,071	–2	$3,213	$2,175	48
Scotty's *$ in thousands	4/26-4 wks.	25,623	27,329	–6	—	—	—

First-qtr. sales up 11% at Rickel

WOODBRIDGE, N.J.—Rickel Home Center sales increased 11% in the first quarter to $44.4 million compared to year-ago results, according to officials from the chain's parent, Supermarkets General.

They added that Supermarkets General's improved profitability from $2.0 million last year to $4.3 million in this year's first quarter was in part a result of significant earnings gains at its 33-unit home center division. Rickel's earnings figures were not available.

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STOCK PRICES

	As of 5/26	52-week High	52-week Low	P/E Ratio
Boise Cascade (NYSE)	25½	48¼	25½	8
Diamond Int'l (NYSE)	38¾	41¼	26¼	17
Evans Products (NYSE) [Alamo Ent., Grossman's, Moore's, Hubbard & Johnson, Lindsley]	9	26½	9	10
Forest City (AMEX)	12¾	19¼	11¼	—
W. R. Grace (NYSE) [Angels, Cashway, Channel, Handy City, Handy Dan, Orchard]	37⅝	51	34⅜	4
Lowe's (NYSE)	15	18⅝	10½	16
Payless Cashways (NYSE) [Furrow]	20½	22¼	15¼	16
Scotty's (NYSE)	18¾	26⅝	15⅛	9
Southwest Forest Industries (NYSE) [Dunlap's, Knox Lumber]	9⅝	24⅜	9⅝	34

*$ in millions

Over-the-counter stocks

	As of 5/26 Bid	As of 5/26 Asked	52-week High (Bid)	52-week Low (Bid)
Erb Lumber	9¼	10	14¾	7½
Hechinger	18¾	19	23⅛	10½
Hines Lumber	19½	20	21	15
The Home Depot	16½	16⅞	16½	6⅛
Pay 'N Pak	13½	13¾	18	13⅛
Pay 'n Save	16⅞	17⅛	29½	16½

Touche Ross

(Continued on page 17)

• economies of scale normally associated with sales increases were not being achieved;
• SG & A expenses, which are typically considered fixed or semivariable, were behaving as if they were totally variable.

To survive in the 1980's, retailers must be able to reverse both of these conditions.

Periodic special studies

In light of the dangers of misleading figures, what should today's retail executive do?

The first step is to make an objective, critical evaluation of your company and the markets it serves. This means developing meaningful performance information by store, department and by square footage. Not only for sales, but expenses and profits as well.

It requires trending this information over a number of years. A graphical trend helps keep our evaluation objective.

So you can see, understanding what's behind the total company performance is extremely important.

Will this year be the year for solutions? It will be up to management.

Only when armed with this information can the retailer select the actions and strategies that are right for his company. It should help him answer the following questions:

• What should be the major priorities for action and change?
• Is the company at or near its practical limit for
  Gross margin improvement?
  Store staffing reductions?
• What other opportunities exist or need to be explored for improved profitability?
  Organizational restructuring;
  Reassessment of overhead staff levels;
  Elimination of less productive stores;
  Elimination of functions;
  Change in merchandise mix;
  Modified store hours.
• Are merchants "Market" pricing and unconsciously failing to pass on the impact of inflation?
• Are there other management decisions that require reassessment?
• Is the expense level indicative of an overstored position or of inadequate attention to the overhead budgeting process?

Precise solutions and priorities will vary for each company, by market segment and geographic area. But one thing is clear, the success model for retailers has indeed changed. No longer do sales increases alone indicate success. The new model requires the vision and analytical ability to measure profits and return on investment—and to measure these trends at store level where the action is.

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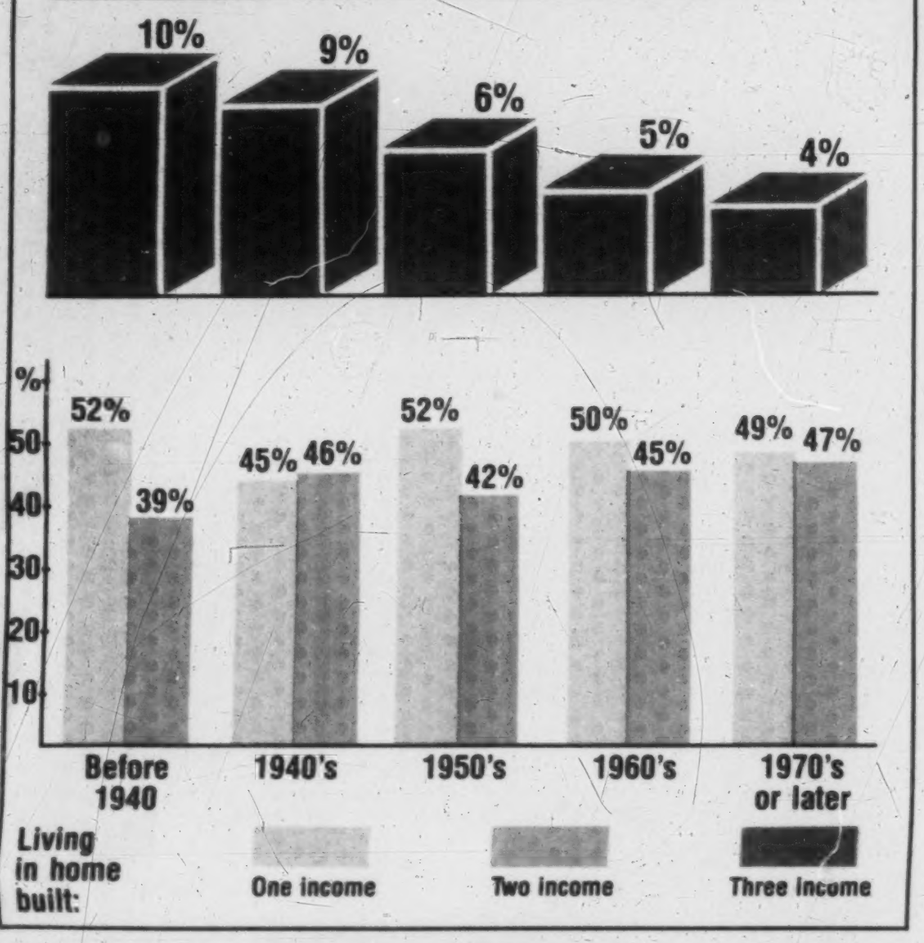
HOMEOWNER PROFILE

Household income patterns



Consumers' spring buying brightens DIY chain sales

NATIONAL REPORT—Increased consumer spending this spring has relieved many home center retailers' problems and has produced an optimistic outlook as the third quarter begins.

With better weather in the second quarter, DIY activity heated up, resulting in outstanding sales periods for chains like Busy Beaver, Payless Cashways and Central Hardware, according to company officials.

Forest City, Lowe's, Scotty's and Handyman also reported better retail sales in the second quarter.

Dealers said, for the most part, they have also been able to maintain or improve their margins.

On the other hand, although the home building depression showed its first sign of easing, contractor business continues to lag and dealers do not foresee a turnaround in the near future.

Busy Beaver's recent retail picture has been "excellent, beyond encouraging," according to Tom Herward, marketing vice president.

Retail figures in April improved by 20%-25% with company sales up 8%-15% overall. The next month turned out to be Busy Beaver's best May ever as retail volume gained 30%-35% with sales up about 25% overall, Herward noted.

The Pittsburgh-based chain is not ready to throw caution to the wind, however.

"We're finding business out there, but it's still difficult to come by," Herward explained. "With unemployment rates high, people are still very careful where they spend, but we feel we're getting more than our share of the business and we know we've increased our market share."

The chain has done it with aggressive pricing and advertising, while showing some decline in margin percentage, but an improvement in gross margin percentage, because of the sales gains, Herward said. The activity came while Busy Beaver was operating one less store than a year ago.

"We feel that we'll have a good retail third quarter with some impetus coming from two new units in the Pittsburgh area in August," Herward said.

Payless rebounds

Payless Cashways, Kansas City, Mo., rebounded from a lackluster first quarter to post a 41% net income rise to $6.7 million on a 25% sales gain to $159.4 million compared to a year ago, Wayne Zetzman, vice president, finance, reported.

"We're looking for the same type of improvement in the third quarter," he added. "Still, a lot depends on the economy, but our third-quarter comparisons from last year should be easier to make."

In the second quarter, Payless, with seven more stores than last year, improved mar-

(Continued on page 54)

Survey reveals 'doubling up' trend

3-income households on the rise

NATIONAL REPORT—A significant number of America's single-family homes are now occupied by three-income households, according to a recent survey by *National Home Center News* and the National Assn. of Home Builders.

The study found that 6.3% of the homes surveyed or 2.8 million units are three-income households.

Government housing analysts and other experts note that this phenomena has not been revealed before, but that it is plausible, based on demographic trends and economic pressures.

"It may be due to the lack of new construction and the backup in demand," said Ken Kerin, vice president, economic research for the National Assn. of Realtors. "Single individuals who two or three years ago might have been off in their own townhouse or condominium may now be living with their parents."

He cautioned against assuming from the data that United States housing was becoming unaffordable without a third income, however.

At the same time, a second income now seems to be a common way for Americans to meet housing and other living expenses, according to the survey, with almost an equal number of one-income and two-income households occupying the nation's single-family housing.

The *NHCN*/NAHB survey involved 900 respondents and is applicable to the nation's 44.4 million single family, detached, owner-occupied dwellings. Findings were correlated according to the decade in which a house was built.

Three-income households are more often found in older homes, with 10% of the dwellings built before 1940 occupied by three-income groups, while the same figure for houses built in the past 12 years is only 4%.

The trend reverses with two incomes. In single-family homes built since 1970, about an equal number are occupied by one-income and two-income households. In homes built prior to 1940 only 39% of the households said they were two-

(Continued on page 4)

Wickes to meet creditors following huge '81 loss

By John Caulfield
NHCN Associate Editor

LOS ANGELES—Wickes Cos.' creditors, still in the dark about the company's direction under Chapter XI, may finally get detailed financial information and store closing plans when their four creditor committees meet with corporate officers here on July 13.

At that meeting, Wickes executives will elaborate on fiscal 1982 and first-quarter 1983 results, released June 15, showing massive losses, as well as provide information from the 10K and 10Q filings with the Securities and Exchange Commission, in an effort to persuade skeptical vendors to resume shipping the company's stores on a regular basis.

Until now, only one-third of Wickes' 15,000 vendors have extended "near normal" shipping terms, with another 30% "that aren't cooperating with us at all, and want payment immediately, any way they can get it," said Wilhelm Mallory, senior vice president and chief financial officer.

He added that about 40% of the vendors fell somewhere in

(Continued on page 54)

NEWSBREAKS

ACE GOES RETAIL. Through the establishment of its AHC Store Development subsidiary, Ace Hardware has begun construction of its first retail unit, a 15,000-sq.-ft. store in the Des Moines, Iowa, suburb of Urbandale. The 4,200-member Oak Brook, Ill., co-op expects to complete the building by mid-August, with its opening scheduled for early October. Ace is aiming to locate stores in areas where no current hardware retailer qualifies for Ace's franchise program. The new store will be sold to a dealer as soon as it is operational.

INSIDE

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BUILDER MARTS of America's buying strategy is giving independent wholesalers a run for their money. 3
STATES MAY pick up where the Justice Dept. leaves off on enforcing retail price maintenance. 9

Program promotes energy center

CHICAGO—Dave Martin would like to be the first unofficial U.S. secretary of energy.

At least that's one conclusion that can be reached based on his Hearth Group's promotion of their "Fire Sites Energy Centers" as "The new national department of energy."

The Hearth Group is a national network of alternative energy manufacturers, distributors and retailers formed in March 1981. Currently, the group is primarily involved in promoting its Fire Sites program, aimed at developing and enhancing one-stop energy centers at the approximately 8,500 independent home centers in the United States.

At present, the program involves 400 retailers, 58 manufacturers and 45 distributors. Retailers, recruited through distributors, pay a one-time fee of $99.75 and initially receive in-store signage materials, including permanent wall/window banners, door/window decals and permanent metal and plastic signs.

The degree of involvement on behalf of the retailer is completely voluntary, Martin said. If he wishes to do more than merely establish the Fire Sites identity, promotional, paper display items, radio jingle tapes for in-store usage, price cards and ad slicks are also available, as well as a program of sales training for store employees.

(Continued on page 4)

Yellow and black sign identifies home center heating, wood stove or fireplace departments as Fire Sites Energy Centers.

DIY Industry update

Lloyd extends Sunday openings

DANBURY, Conn.—Lloyd Lumber, which opened its doors to customers on Sundays for the first time at six of its 22 outlets in May, has now extended the test to 14 stores after achieving "excellent" results in the program's earlygoing.

"Some of our stores we know still don't warrant Sunday openings," said Peter Muller, the chain's marketing vice president.

For some units, however, Sunday has become the second or third best day of the week in terms of sales, Muller noted.

"At first, we were leary that Sunday sales would take away from Monday business," he said, "but it hasn't. The Sunday sales have been add-on sales for us."

"Four managers whose stores were not part of the test originally came to us and asked if they could be a part of it," Muller said. "They felt the business was there."

Lloyd officials have announced the Sunday openings with an alternate cover on its flyers directed at those stores with the extra selling day and through its ROP ads, according to Muller. Stores also display "Now Open Sunday" signs.

Close-outs spark Goodman sales

SAN FRANCISCO—The mailgram from Charles Goodman left no doubt that he meant business: "We want your close-outs, overstock and odd lots in truckload or carload quantities. Cash payment on your terms. Call collect."

Goodman, secretary/treasurer of five-store Goodman Lumber, was amazed at the response. "We mailed them out on a Sunday night and by 10 the next morning a guy delivered several thousand feet of mosaic tile to us!"

According to Goodman, "between 60 and 80" manufacturers responded to the May appeal, resulting in a week-long sale promoted by a "rag-tag" full-page ad in the *San Francisco Examiner and Chronicle* headed "Goodman's Got It!"

All merchandise was sold directly from the floor, nothing was warehoused, Goodman said. "The center aisle was packed with goods, but there really wasn't much of a space problem. Just as soon as we sold out a space we brought in more merchandise," he said.

Goods for sale included everything from 5-ft. fiberglass tubs at $39.95 and one-piece "A" grade toilets at $99.95 to redwood fence boards at 20¢-54¢ per linear foot and cabinet hardware at 19¢ each.

In an era of "cut throat competition," Goodman believes that closeout sales are one way to keep margins up and prices down while making a nice profit; but it's not for everyone.

Ex-PMI units test drapes

ROCHESTER—Draperies are being test marketed at nine of 42 Floor to Ceiling Stores, the company formed from franchisees that broke away from Plywood Minnesota last September.

The move is part of the firm's attempt to forge a decorator-oriented identity. As George Scheer, president, explains it, the stores will stress interior home products that require installation.

While selling drapes involves special problems, according to Scheer, they can also be exceptionally profitable.

"It's a complicated product," he said. "If the drape doesn't hang exactly right you have to make an adjustment. You may have to steam out a crease. If you make a mistake measuring, that's a problem too."

But, Scheer added, "If we don't screw up, if there are a minimum of returns and corrections, then we can expect about a 50% gross profit margin."

The profit potential is greater than for other window treatments, he said, because merchants tend to price drapes less competitively.

Besides profit potential and the fact that drapes fit well with the stores' other merchandise, the desire to completely serve a customer, rather than lose him to a competitor was also a factor in the test marketing.

National Home Center News.

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Vol. 8, No. 14 July 5, 1982

Hines quits manufacturing, will sell remaining mills

CHICAGO—Edward Hines Lumber is selling its eight remaining sawmills and getting out of manufacturing completely.

Most of the mills, which are all located in the West, will continue to operate while a buyer is sought. Earlier this year the company announced plans to sell its Southern mills.

A vertically integrated lumber company with manufacturing, wholesaling and retailing operations, Hines was hurt by the housing slump and depressed market, ending 1981 with a net loss of $5.8 million on sales of $265 million. In 1980 the company reported a net loss of $1.7 million on sales of $271 million.

"We've been involved in a strategic planning effort for the last eight months," said Edward Hines, president ceo. "We came to the conclusion that we are a very spread out company and should capitalize on certain aspects of our business."

It is not yet clear which remaining aspects will dominate, according to Hines, who took over the reins a year ago from Howell H. Howard, now chairman. Both men are grandsons of the 90-year-old firm's founder.

Retailing is certain to have a place in the restructured corporation. It is only a matter of the degree to which it will be stressed.

Hines now runs 12 wholesale and 25 retail outlets, including 13 home centers and 12 lumber yards. Its DIY business last year was about $25 million.

If retailing becomes Hines' core business, more home centers will be opened and existing

(Continued on page 54)

Nathanson leaves Bonanza; Jim Grogan named new prez

SAN JOSE, Calif.—Home center industry pioneer Stanley Nathanson has left six-unit Bonanza Building Centers and has been replaced by Jim Grogan, another industry veteran.

Nathanson's resignation from the presidency of the San Francisco Bay Area chain was expected. He had given Australian conglomerate Burns Philp, Bonanza's owner, a year's notice that he would be leaving.

Nathanson said he is returning to his native Chicago having accomplished his No. 1 goal: "To get the company off the ground and to register it in the minds of the people as the dominant home center in the marketplace."

Nathanson had helped Burns Philp negotiate the $5.5 million purchase of four former Angels units from W. R. Grace in 1980. Two additional stores opened this past spring.

Other than the possibility of doing some consulting work for Burns-Philp, Nathanson remained vague on his future plans, saying he is "exploring various possibilities."

Grogan, 58, formerly president of Plywood Minnesota, left

(Continued on page 4)

May starts rise 22.3%, top 1M

NATIONAL REPORT—While housing start figures were up dramatically for May, there was ample reason for building supply retailers to remain cautious.

Seasonally adjusted figures for total housing starts reached 1.08 million, the first time the million mark was passed in a year. Total starts improved 22.3% from April.

However, they were still off 7.3% from May 1981 and seasonally adjusted single family starts, which most impact retailers, were up only 8.7% from April, for a seasonally adjusted total of 622,000.

The most substantial one-month improvement was in the South, where total starts were up 31.1% in May. Reportedly construction in East Texas, especially Houston, was responsible for this regional boost and had a strong influence on the improvement shown nationally.

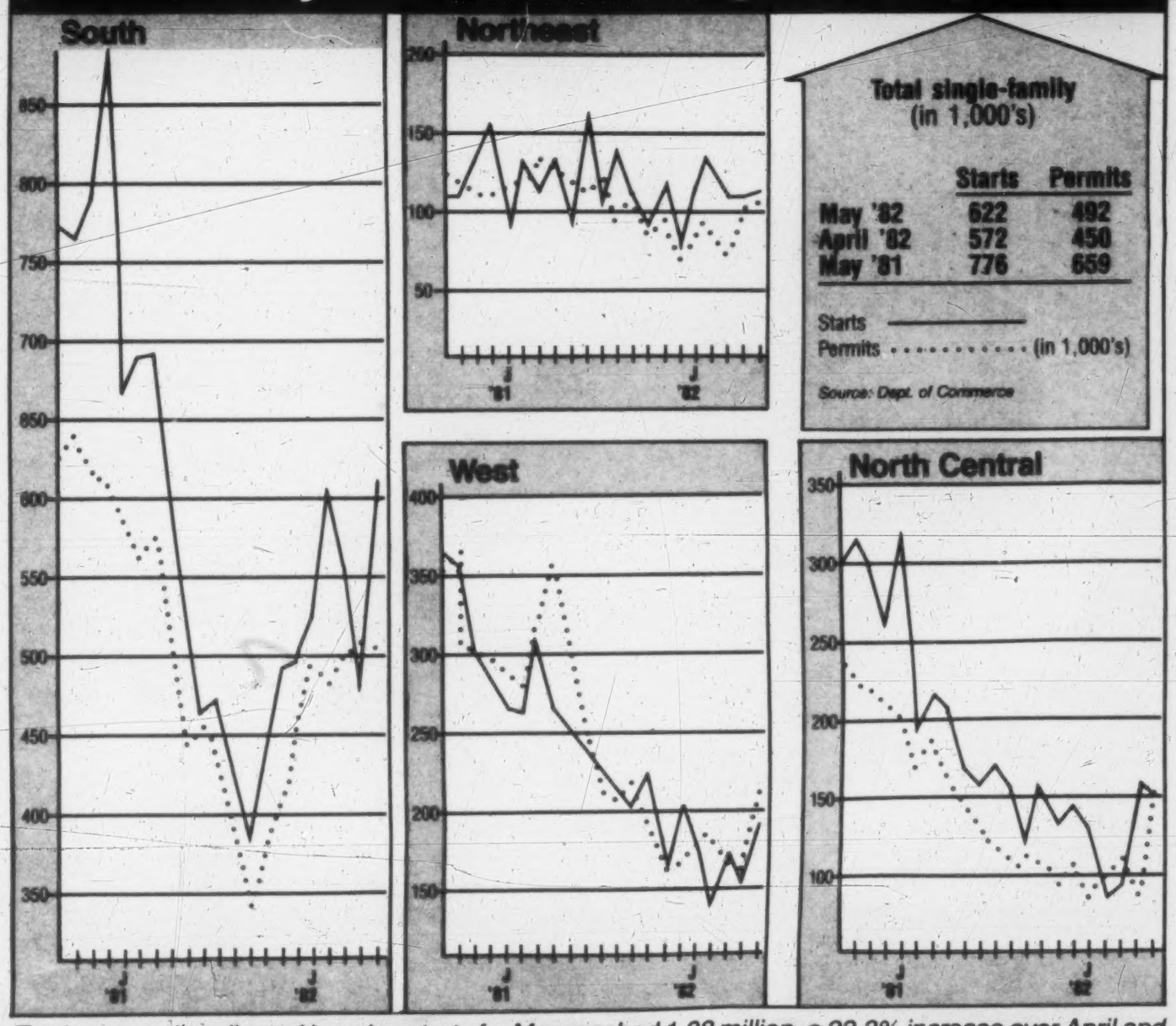
The active east Texas market, however, is multifamily. While it obviously helps the building industry and has helped sustain Southern lumber prices somewhat, its overall affect on building material retailing seems less significant.

Permits were actually down in the South for May compared with April. Nationally they were up 2% to a seasonally adjusted 969,000. The North Central region, hardest hit by the nation's recession, showed the most promising permit filings for May, up 31.7% from a month earlier and up 1.3%, from a year ago.

While the long awaited upward surge in starts was welcomed by the National Assn. of Home Builders, it was not seen as proof that recovery has arrived. Strong, sustained home building depends on lower interest rates, according to NAHB.

That group and other housing-related trade associations have been active in lobbying Congress for legislation that would stimulate home building by subsidizing mortgage payments temporarily.

May home-building activity



Total seasonally adjusted housing starts for May reached 1.08 million, a 22.3% increase over April and the first time the million mark was broken in a year, although building was still off 7.3% from May 1981. The impact on building supply retailers may not be as strong as the optimistic numbers might first indicate, as seasonally adjusted single family starts rose only 8.7% compared with last month for a total of 622,000 units.

Energy centers

(Continued from page 1)

Participating manufacturers pay a 6% rebate to the Hearth Group based on sales to member distributors. An additional 2% of those sales are earmarked for radio ad support of that manufacturer, resulting in a low-cost co-op allowance for participating retailers.

The additional co-op dollars are used for 60-second radio spots, generally consisting of a 40-second Fire Sites/dealer identification and two 10-second plugs for noncompetitive manufacturers. For example, a wood burning stove company might be paired with a manufacturer of chimney brushes.

Martin is now involved in discussions with various alternative energy associations, such as the Wood Heating Alliance and the Passive Solar Industries Council, aimed at the creation of bumper stickers for their members featuring the industry battle cry, "Be Energy Independent!"

With a program built around consumer concern over high utility and fuel costs, Martin admits that a continuing decline in prices could jeopardize the program, but he doesn't feel the drop in costs will continue.

Martin envisions Fire Site stores as "community energy information centers" providing free energy tips on saving money and a wide variety of energy saving products.

"With the gradual dissolution of the U.S. Department of Energy, I see Fire Sites Energy Centers filling the public information void by becoming the 'new departments of energy,'" he said.

In addition to the Fire Sites program, the Hearth Group is promoting an Energy Independent Home marketing program for home builders, available through Hearth Group distributors.

One concept Martin would like to promote is the "solar spa package," priced at "under $10,000" and including a DIY greenhouse kit, hot tub, through-the-wall power vents to transfer solar heat, wood stove and insulated shades.

"This is a highly merchandisable package for the home centers," Martin said.

"The alternative energy market isn't just for the back-to-nature of high-tech types any longer," he said. "We take a very pragmatic approach. We're trying to reach the middle class on a realistic level. Solar products can be successfully marketed at the retail level, not only through contractors."

Somerville opening has 'Mass' appeal

Somerville Lumber's Melvin Cohen introduces Massachusetts Gov. Edward J. King (center, next to co-owner Harold Cohen) at last month's grand opening of store No. 2 (pictured just before its debut) in Westboro.

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3-income household

(Continued from page 1)

income.

The newest homes are predominately occupied by professionals with a median age of 45.8 years and median household income of $32,074. In the oldest homes the typical owner is retired, 60.2 years of age, with an income of $20,486.

"My feeling is that the majority of three-income units are older homes with middle- and upper-aged heads, with the third income being a son or daughter who has returned home and is earning a full wage," said Martin Levine, deputy assistant director for the Congressional Budget Office.

It is also possible that the wage earners are not related.

"We've seen an upswing in three unrelated younger people buying a house together," Levine said.

It is unlikely that three-income are required to cover housing expenses in older homes, he said, because many of these dwellings either are mortgage free or are being paid for at low-interest rates.

"I look for more and more forms of doubling up," said Henry Schechter, director of the Office of Housing and Monetary Policy for the AFL-CIO, because of the shortfall of housing production relative to need."

The *NHCN*/NAHB study, called a Survey of Additions and Alterations in Existing Single Family Homes, was aimed at determining what DIY products homeowners are most likely to buy and which projects they will probably undertake based on the age of their home.

The two-income and three-income household trends were derived from questions that established the survey sample's demographic mix.

Nathanson

(Continued from page 2)

the Minneapolis-based chain last fall shortly after owner Sen. Rudy Boschwitz sold PM's 44-unit franchise operation to a group of company veterans (*NHCN*, Sept. 14, 1981).

In recent months, Grogan said he was involved with other unspecified business interests before joining Bonanza June 14.

Previously, Grogan was president of Lonestar Building Centers, one of two operating divisions of Greenwich, Conn.-based Lonestar Industries.

Because of his experience with those home centers which competed with Angels outlets, Grogan doesn't consider himself a neophyte to the California market.

He declined to discuss any changes he may make at Bonanza, explaining that "my short-term plans are just to get familiar with the stores and the people."

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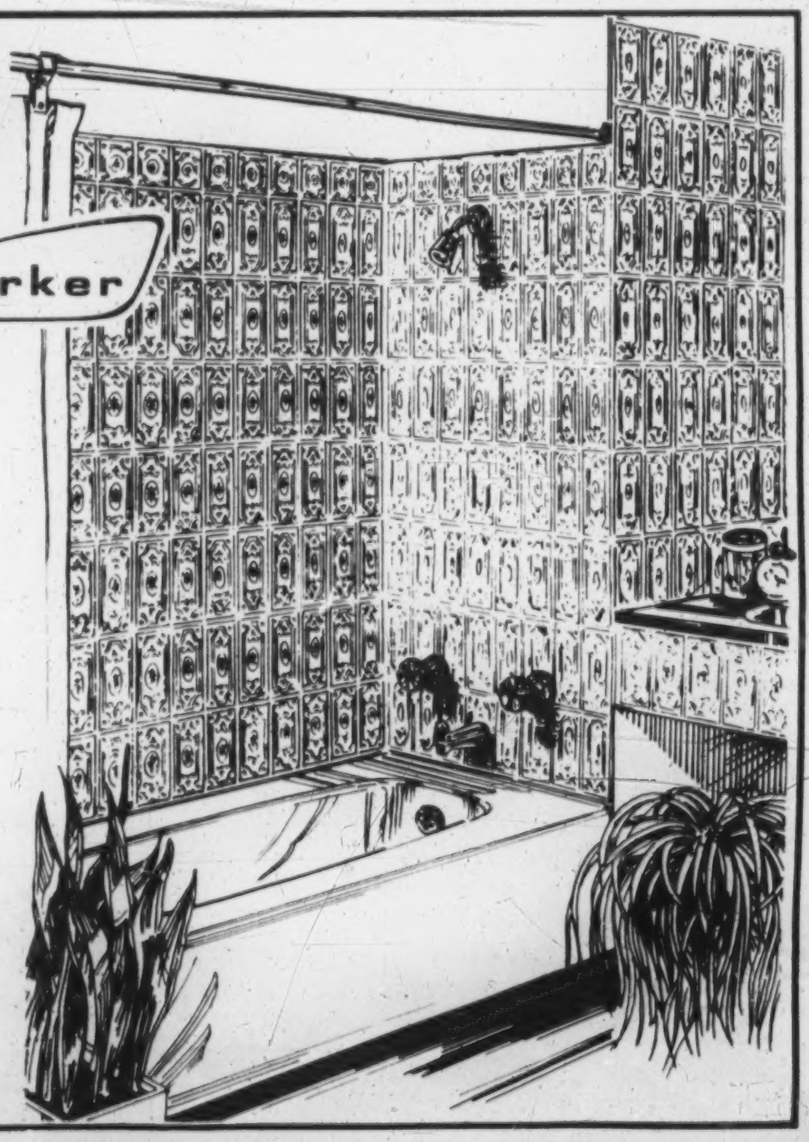

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Labor Dept.

(Continued from page 3)

ployees or less) to maintain logs and summaries of all workplace accidents and illnesses, and to make those records available to Federal O.S.H.A. inspectors upon request.

Calling the proposed exemption "part of O.S.H.A.'s continuing effort to reduce the record-keeping burden on employers," department officials said that their plan "will relieve a large number of employers of an unnecessary paperwork burden without lessening on-the-job safety protection for workers."

Significantly, however, Reagan Labor officials proposed lifting the record-keeping rules only for retail segments with worker injury rates at or below 75% of the average rates for all businesses.

Home center operators and other retailers whose establishments fall into higher S.I.C. categories (55-through-59) will be exempted from O.S.H.A. record-keeping effective Jan. 1 if the Administration's regulatory reform proposal is implemented on schedule.